

## Article - Estates and Trusts

§14.5–402.

- (a) A trust is created only if:
  - (1) The settlor has capacity to create a trust;
  - (2) The settlor indicates an intention to create the trust;
  - (3) The trust has a definite beneficiary or is:
    - (i) A charitable trust;
    - (ii) A trust for the care of an animal, as provided in § 14.5–407 of this subtitle; or
    - (iii) A trust for a noncharitable purpose, as provided in § 14.5–408 of this subtitle; and
  - (4) The trustee has duties to perform.
- (b) A beneficiary is definite if the beneficiary can be ascertained now or in the future, subject to any applicable rule against perpetuities.
- (c) (1) A power in a trustee or in another person under the terms of the trust to select a beneficiary from an indefinite class is valid.
  - (2) If the power described in paragraph (1) of this subsection is not exercised within a reasonable time, the power fails and the property subject to the power passes to the persons that would have taken the property had the power not been conferred.